Mordernisation of IISCO

768. SHRI GURUDAS DAS GUPTA : Will the Minister of STEEL be pleased to state :

(a) whether there is at present any proposal under Government's consideration for the Modernisation of the Indian Iron and Steel Company (IISCO) : and

(b) if so, what are the reasons for delay in the implementation of the proposal ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) and (b) Government could not sanction any scheme so far for modernisation of IISCO due to financial constraints. The options available for achieving the modernisation in a cost and time-effective manner including private participation are being examined and a decision in the matter will be taken in due course.

Visakhapatnam Steel Plant

769. SHRI N.E. BALARAM : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that a Capital restructuring plan for the Visakhapatnam Steel Plant has been cleared by Government ;

(b) if so, the details thereof ; and

(c) what steps are proposed to be taken to improve the performance of the plant ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) Yes, Sir.

(b) The scheme for restructuring the capital base of Rashtriya Ispat Nigam Limited (VSP) envisages the following :

(i) Conversion of Government of India's loans to the extent of Rs. 1184 crores into equity capital.

(i) Conversion of Government of India's loans to the extent of Rs. 1185 crores into 7% Non-cumulative Preference Shares redeemable at the end of 10 years.

(iii) Conversion of interest due on Government of India's loans amounting to Rs. 791 crores, into interest free loan for a period of seven years.

(iv) Conversion of Government of India's loan received after Ist August, 1992 for the year 1992-93, into 7% Non-Cumulative Shares redeemable at the end of 10 years from the date of allotment.

(v) Waiver of penal interest on Government of India loans.

(c) Action is being taken to implement the scheme which will improve the long term financial performance of the Company. VSP management has also initiated remedial measures to increase the capacity utilisation of production facilities. The plant is expected to achieve 100% production by 1996-97.

Closing of Mini-Steel plants in south

770. SHRI P. UPENDRA : Will the Minister of STEEL be pleased to state :

(a) whether most of the mini-steel plants in the south have already been closed down and some more are on the verge of closure ;

(b) if so, what are the reasons for the mini-steel plants going into 'red' ; and

(c) what steps Government are taking to help this secondary steel sector ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL